

51 Essex Road  
Chestnut Hill, MA 02467

July 14, 2014

Antitrust Division  
Office of the Attorney General  
One Ashburton Place, 18<sup>th</sup> Floor  
Boston, MA 02108

Dear Attorney General Coakley:

I am Chairman of the Board of Trustees of Partners Continuing Care and Spaulding Rehabilitation Hospital and I am writing to express my strong support for the agreement that your office has recently negotiated with Partners Healthcare. I firmly believe that you have acted in the public's interest and that the terms of the agreement are comprehensive and will serve as the best possible resolution of the issues at hand. In addition, there has already been an extraordinary review of the matter through an open process in accordance with state laws and regulations, and I see no further need for a public process to appease rival hospital and health care systems that are motivated by their own private interests. As you know, Partners' desire to acquire South Shore Hospital, Harbor Medical Associates and Hallmark Health System is driven primarily by the need to improve access and coordination of care for populations of patients across the entire continuum, and to do so in a way that is most efficient and effective. To achieve this goal, it is important that community hospitals and primary care physicians be clinically and financially integrated within our system.

Partners' annual operating margins are significantly less than other hospitals and systems because it supports one of the leading research and teaching platforms in the world, and also provides enormous amounts of reduced price and free care to some of the region's most vulnerable populations. Moreover, Partners has continued to provide many services that lose money but we believe are essential to support the health of our patient populations, services that many other systems have discontinued due to their lack of profitability.

As Chairman of the Spaulding Board, I want to point out that the new Spaulding Rehabilitation Hospital in Charlestown opened just twelve days after the tragic 2013 Boston Marathon bombing. In the weeks that followed, thirty-two of the most catastrophically injured survivors received their inpatient rehabilitation care at the new Spaulding, and many continue to this day to receive outpatient services there. These survivors were admitted to Spaulding from all of the city's great trauma centers, including Beth Israel, Tufts and Boston Medical Center, after suffering limb loss, nerve damage, burns and other disabling injuries. Many in the community

commented, and most would probably agree, that Spaulding opened the doors of its new patient-centered, fully accessible rehabilitation hospital just in time and when Boston needed it most. The fact of the matter is that without the commitment and financial support of Partners, not only would there have been no new Spaulding, but its outdated forty year old facility in Boston probably would have been forced to close altogether. Spaulding would not have been there for the Marathon survivors and for the thousands of other people with physical disabilities who will receive needed rehabilitation care there this year and each year in the future.

Partners is seldom recognized for its mission-based commitments to providing critically important health care services that lack the traditional economic "return on investment." The capital investment in the new Spaulding and resulting annual depreciation that is absorbed by Partners is but one example of the many ways in which Partners provides care and support to needy patient populations in ways that most hospitals and health care systems do not. The millions of dollars that Partners commits annually to support mental health, community health centers, costly but essential standby programs like burn centers and other services leave its annual operating margin much thinner than other comparable health systems across the country. The view of Partners as a high cost "behemoth" is grossly distorted and fails to consider the investments and subsidies it provides to deliver such needed care.

I hope that the agreement, which is supported by the Department of Justice following years of investigation, will be finally approved so that Partners can devote its time and energy to making the South Shore and Hallmark mergers work effectively and so that it can continue its charitable mission to provide care that would otherwise be unavailable to patients in the community.

Sincerely,

A handwritten signature in black ink, appearing to read "Scott A. Schoen". The signature is fluid and cursive, with a large, sweeping initial "S".

Scott A. Schoen  
Chairman of the Board of Trustees  
Partners Continuing Care and Spaulding Rehabilitation Hospital